

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:	Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	Case No. 18-23538 (RDD)
Debtors.	(Jointly Administered)

NOTICE OF RECLAMATION DEMAND
OF A.O. SMITH CORPORATION

PLEASE TAKE NOTICE, that A.O. Smith Corporation (“A.O. Smith”), hereby gives notice (the “Notice”), pursuant to 11 U.S.C. §§ 546(c), 503, 507 and other applicable law, including Section 2-702 of the Uniform Commercial Code, that it has served the attached reclamation demand letter (and supporting documentation) (the “Reclamation Demand”) on the debtors in the above-captioned case (the “Debtors”), with respect to the goods as further detailed in the Reclamation Demand and the invoices attached thereto (the “Goods”). A copy of the Reclamation Demand is attached hereto as **Exhibit A**.

As detailed in the Reclamation Demand, the Goods were sold by A.O. Smith in the ordinary course of business to the Debtors and received by the Debtors during the forty-five (45) days prior to the commencement of the Debtors’ Chapter 11 case on October 15, 2018 (the “Petition Date”) while the Debtors were insolvent. Upon information and belief, the Goods remain in the Debtors’ possession as of the date of the Reclamation Demand. The Goods are valued at \$1,252,470.81.

PLEASE TAKE FURTHER NOTICE that the filing of this Notice is not intended to constitute an election of remedies or to waive any of A.O. Smith’s rights under Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended), or applicable bankruptcy law.

A.O. Smith hereby expressly reserves all rights and remedies under applicable law, including, without limitation, its rights (i) of setoff and recoupment; (ii) to assert and file an administrative claim pursuant to 11 U.S.C. § 503(b)(9); and (iii) to amend, correct, supplement or modify this Notice, or the Reclamation Demand, as necessary.

Respectfully submitted,

GODFREY & KAHN, S.C.

By: /s/ Timothy F. Nixon

Timothy F. Nixon (NY Bar No. 4436390)

Carla O. Andres

Attorneys for A.O. Smith Corporation

200 South Washington Street, Suite 100

Green Bay, WI 54301-4298

920-432-9300

tnixon@gklaw.com

candres@gklaw.com

DATED: November 2, 2018

19722202.1